

Written Testimony on S.B. No. 92—AN ACT PERMITTING TEN-YEAR CONTRACTUAL PERIODS FOR THE TRANSPORTATION OF SCHOOL CHILDREN IN ZERO-EMISSION SCHOOL BUSES.

Honored Chairs Sen. Needleman and Rep. Arconti and Distinguished Members of the Energy and Technology Committee,

Highland Electric Fleets ("Highland," "we") is submitting this brief written testimony in response to the request from the Energy and Technology Committee for feedback on S.B. No. 92 as a part of its public hearing on Thursday, February 24, 2022.

Highland is the largest buyer of electric school buses (EVSBS) in the country and provides a comprehensive turnkey solution, in the form of an electrification-as-a-service (EaaS) contract, that delivers EVSBs, charging infrastructure, and supporting services to school districts and third-party managed fleet providers (3PMs). Our model includes vehicle and charging infrastructure financing, infrastructure installation, charging management staff training, electricity purchasing, and maintenance cost coverage in an easily digestible, budget-neutral format that enables EVSB acquisition at traditional diesel pricing. Our mission is to eliminate the barriers to better student health and a cleaner environment through school bus electrification.

Currently, Connecticut statute limits leases to five years. The shorter a lease term is for a vehicle, the higher the lease payments are that have to be paid by a municipality. Since EVSBs, which are the primary form of zero emission school buses, cost more upfront, the effect of this compressed period on annual payments is particularly pronounced. Unfortunately, Connecticut's five-year limitation is one of the shortest lease limitations in the country, and the result is that leasing electric school buses in the state is uneconomic. That significantly undermines efforts in the state to electrify school buses because leasing is one of the primary mechanisms for bringing EVSBs to schools affordably. As a result, the bill's move to extend the lease limitation to ten years for zero emission school buses would improve access to affordable EVSBs. While ten years is an improvement over five years, in our experience, 12-15-year leases could substantially improve economics for EVSBs relative to 10 years and provide school districts with greater

flexibility. Furthermore, that time period aligns with the fact that most data sources place both the life cycle of a lithium-ion battery, as well as the life cycles of standard type C and D school buses, between 12 and 15 years.^{1, 2} As such, we recommend that the bill adjust the lease term limitation to 15 years.

We believe that the Connecticut Legislature has an opportunity to enable a market transformation that could help to accelerate EVSB deployment in the state. We thank you for taking our comments into consideration and are happy to be a helpful resource moving forward.

Thank you,

Claire Alford

Associate, Market Development

Highland Electric Fleets

¹ *Battery Energy Storage Overview*. National Rural Electric Cooperative Association, National Rural Utilities Cooperative Finance Corporation, CoBank, and NRTC. Updated April 2019. [battery-energy-storage-overview-report-update-april-2019.pdf](https://www.cooperative.com/battery-energy-storage-overview-report-update-april-2019.pdf) ([cooperative.com](https://www.cooperative.com))

² *Information Report: School Bus Replacement Considerations*. National Association of State Directors of Pupil Transportation Services. <https://www.nasdpts.org/resources/Documents/Paper-BusReplacement.pdf>